



DEPARTMENT OF STATE

WASHINGTON

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February 4, 1966

Dear Hugh,

I am enclosing a copy of the proposed terms of reference for the Subcommittee that I suggested. You will note that it is written in the mortician style that such solemn events as this call forth.


If you people have any problems with it that you think might best be taken care of before it is circulated, let me know.

Sincerely,

Morris H. Crawford
Department of State Representative
Economic Intelligence Committee

Enclosure:

Proposed terms of reference
as stated.


Executive Secretary,
Economic Intelligence Committee,
Central Intelligence Agency.

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Proposed Terms of Reference For EIC Subcommittee on
Economic Policy In The Communist Countries

A. Mission of EIC Subcommittee on Economic Policy In The Communist Countries

The mission of the EIC Subcommittee on Economic Policy in the Communist Countries is to provide an organizational framework for relating current economic developments to underlying economic magnitudes and basic economic policies in and among the various communist countries.

B. Membership and Organization

1. Membership of the Subcommittee on Economic Policy in the Communist Countries consists of representatives of the USIB agencies as designated by these departments and agencies and approved by the EIC.

2. Representatives of other government departments and agencies may participate as Associate Members of the Subcommittee upon approval of the EIC.

3. Subcommittee members and associate members may designate for participation in any particular function of the Subcommittee individuals from their agencies who (1) have special expertise, or (2) have special requirements for expert opinion on the Subcommittee function. Such participation need not be subject to the approval of the EIC.

4. The Chairman of the Subcommittee is designated by the EIC, and the Central Intelligence Agency provides the permanent Secretariat. The Subcommittee may set up ad hoc working groups as necessary to assist in carrying out any of its assigned functions.

C. Functions

1. As the standing interagency economic intelligence group of professional and technical personnel in the field of Economic Policy in the Communist Countries, the Subcommittee shall perform the following minimum functions:

(a) Arrange for frequent exchanges of view on current economic developments having significant bearing on the economic policies of the communist countries. Record the proceedings of such meetings for circulation, without specific prior approval from the EIC, as Subcommittee minutes.

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Excluded from automatic
downgrading and
declassification

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(b) Provide a forum, when needed, for explanation, or coordination, of estimates of major aggregative indexes (e.g., national budgets, military expenditures, and gross agricultural output) of the economies of the communist countries.

(c) With the guidance of current Priority National Economic Intelligence Objectives, identify significant research and collection deficiencies in its field of responsibility and

(d) Develop and report not less than annually to the EIC ways in which these recognized research deficiencies could be, or are being, corrected and ways in which improvements could be, or are being, made in economic intelligence collection requirements and in the distribution and processing of economic intelligence information.

(e) Facilitate review of proposals for external research contracts in its field in accordance with the provisions of DCID 3/1 using the procedures adopted by the EIC. (See EIC-D-112/1, 5 June 1958, Procedures for EIC Review of Proposed US Governmental External Economic Research Contracts Involving More Than \$5,000.)

(f) Produce, on its own initiative (with EIC approval), or when directed by the EIC, interdepartmental economic intelligence on subjects in its field which transcend the competence of a single department or agency. The production of the Subcommittee will normally be limited to the preparation and circulation of the minutes of its meetings.

2. In addition to the minimum functions outlined above, the Subcommittee on Economic Policy in the Communist Countries, when appropriate, shall perform the following functions with respect to its assigned field:

(a) Assist or advise agencies in the programming of research in order to minimize duplication and assure as effective a distribution of research effort as is practical in view of each agency's responsibilities.

(b) Provide an opportunity for the review and comparison of methodologies utilized in research in the field covered by the Subcommittee.

(c) Bring to the attention of the EIC current problems and requirements for research which are recognized by the members of the Subcommittees.

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D. Operating Procedures

The Subcommittee shall establish its own operating procedures subject to the following conditions:

1. It shall meet in formal session at least once each fiscal year to prepare and approve its Annual Report to the EIC. The Annual Report will be responsive to the request of the EIC Secretariat and will cover the activities of the Subcommittee in fulfilling its missions as outlined in C, above. The Subcommittee will schedule other meetings as required to fulfill its missions. The Subcommittee will be expected to meet frequently; given the scope of its responsibilities, monthly meetings will normally be anticipated.

2. The Subcommittee Secretariat shall provide all members of the EIC, the Subcommittee, and the EIC Secretariat with copies of the agenda and minutes of its meetings. The minutes should be cleared in detail by the Chairman of the Subcommittee before circulation, and should be verified for accuracy with the principal participants.

3. Reports and recommendations which have been approved by the Subcommittee may be transmitted to the EIC without comment. In case of dissent, the transmittal must be accompanied by an appropriate statement, prepared by the dissenter(s), advising the EIC of the nature and substance of the dissent.

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